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**BRITISH AMERICAN BANK NOTE  
COMPANY LIMITED**

ANNUAL  
REPORT  
1964





# BRITISH AMERICAN BANK NOTE COMPANY

## LIMITED

### Directors

CHARLES S. BAND  
Toronto

G. HAROLD BURLAND, M.C., C.D.  
Ottawa

ROSS CLARKSON  
Montreal

GORDON FARRELL  
Vancouver

Hon. GEORGE B. FOSTER, M.B.E., Q.C.  
Montreal

GEORGE T. FOX  
Toronto

BARRY GERMAN  
Ottawa

Hon. JEAN RAYMOND, Q.C.  
Montreal

A. MURRAY VAUGHAN  
Montreal

Mrs. L. M. VAUGHAN  
Montreal

RICHARD P. WHITE, O.B.E., V.R.D.  
Ottawa

### Officers

President

A. MURRAY VAUGHAN

Vice-President and  
Comptroller

G. HAROLD BURLAND

Vice-President and  
General Manager

RICHARD P. WHITE

Asst. General Manager

K. S. SARGENT

Secretary-Treasurer

W. H. TAYLOR

Asst. Secretary-Treasurer

J. M. BRADY

Toronto Office Manager

GEORGE T. FOX

Montreal Office Manager

R. BROCK YOUNG

Ottawa Office Manager

R. F. BLANDFORD

### Transfer Agent

The Royal Trust Company

Montreal and Toronto

### Registrar

Montreal Trust Company

Montreal and Toronto

### Auditors

Touche, Ross, Bailey & Smart.

Ottawa

# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

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## ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders:

Your Directors submit herewith Financial Statements for the year ending December 31, 1964 as reported upon by the Company's Auditors, Messrs. Touche, Ross, Bailey & Smart.

We are pleased to report Sales for the year showed a further increase over the preceding year and were again the largest in the history of the Company.

Earnings before Income Taxes for the year 1964 amounted to \$1,008,292 compared with \$990,315 for the preceding year. Provision for Income Taxes amounted to \$475,000 against \$490,000 in 1963. Net Profit for the year was \$533,292, or \$3.555 per share compared with the 1963 result of \$500,315, or \$3.335 per share.

During the year quarterly dividends of 50¢ per share were paid, with an extra of 75¢ per share in December. Total dividends amounted to \$2.75 per share, an increase of 5¢ per share over the previous year.

The year ended with Current Assets of \$2,442,286 and Current Liabilities at \$236,764. Working Capital of \$2,205,522 was little changed from the previous year.

The Company has increased expenditures for research and the development of processes and equipment to improve the service to our customers.

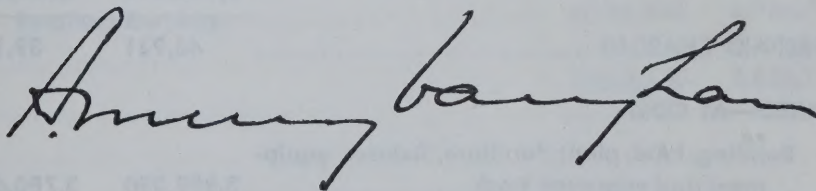
At the Annual Meeting a year ago I spoke of the amendment on July 1, 1963 to our Pension Plan, the purpose of which was to bring past service credits up to date. As arranged the cost of \$112,000, after allowing for the reduction in Income Taxes applicable, has been charged in 1964 to Retained Earnings.

On December 31, 1964 Mr. W. H. Taylor, Secretary-Treasurer since January 1954, retired after fifty-one years' service.

On April 28, 1964 Mr. George T. Fox, Manager of the Toronto Branch, was elected a Director of the Company.

We are very grateful to the Officers and Employees of the Company for their loyal and efficient service during the past year.

Submitted on behalf of the Board of Directors.

A handwritten signature in black ink, appearing to read "Arthur C. Taylor". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

President.

February 8, 1965.



# BRITISH AMERICAN BAN

(INCORPORATED UNDER

## ASSETS

## BALANCE SHEET AS AT DECEMBER

CURRENT:	1964	1963
Cash on hand and in bank.....	\$ 42,912	\$ 140,980
Accounts receivable.....	226,686	128,840
Investments (Quoted market value: 1964—\$1,645,716 1963—\$1,650,993)	1,617,134	1,656,661
Due from employees—subscriptions to Canada Savings Bonds .....	33,720	34,105
Inventories of raw materials, work in process and finished stock, valued at the lower of cost or market.....	521,834	593,373
	<u>2,442,286</u>	<u>2,553,959</u>
PREPAID CHARGES .....	46,931	39,109
FIXED—AT COST:		
Building, land, plant, furniture, fixtures, equip- ment and engraved stock.....	3,889,390	3,780,601
Less accumulated depreciation .....	3,076,303	2,970,649
	<u>813,087</u>	<u>809,952</u>
	<u>\$3,302,304</u>	<u>\$3,403,020</u>

On behalf of the Board:

A. MURRAY VAUGHAN,  
Director.

G. HAROLD BURLAND,  
Director.

# NOTE COMPANY LIMITED

(COMPANIES ACT - CANADA)

1964 (with comparative figures for 1963)

## LIABILITIES

### CURRENT:

	1964	1963
Accounts payable and accrued liabilities.....	\$ 186,153	\$ 186,157
Estimated liability for income taxes.....	50,611	160,115
	<u>236,764</u>	<u>346,272</u>

### NET WORTH:

#### Capital Stock—Authorized and issued

150,000 shares of no par value.....	300,000	300,000
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Retained Earnings .....	2,765,540	2,756,748
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	<u>3,065,540</u>	<u>3,056,748</u>
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	<u>\$3,302,304</u>	<u>\$3,403,020</u>
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### NOTE:

It is intended to claim capital cost allowances in excess of depreciation provided in the accounts for the year, resulting in a reduction of \$35,000 in the income taxes otherwise payable. The accumulated reduction in income taxes resulting from claiming capital cost allowances in excess of depreciation provided in the accounts amounts to \$57,000 at December 31, 1964.

# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

## STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for 1963)

	1964	1963
Profit from operations before deducting the expenses shown below.....	\$1,190,460	\$1,180,590
Depreciation on plant, buildings and equipment .....	171,788	165,473
Executive remuneration.....	90,020	90,520
Directors' fees.....	10,656	10,646
	<u>272,464</u>	<u>266,639</u>
Net profit from operations.....	917,996	913,951
Revenue from investments.....	70,300	66,554
Miscellaneous income.....	19,996	9,810
	<u>1,008,292</u>	<u>990,315</u>
Provision for income taxes.....	475,000	490,000
Earnings for the year.....	<u>\$ 533,292</u>	<u>\$ 500,315</u>

## STATEMENT OF RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for 1963)

Balance at beginning of year.....	\$2,756,748	\$2,731,770
Earnings for the year.....	533,292	500,315
Less:	<u>3,290,040</u>	<u>3,232,085</u>
Dividends paid on capital stock.....	412,500	405,000
Lump sum payment relating to 1963 pension plan past service amendment, less income tax reduction applicable thereto (1963 amount relates to 1957 amendment).....	112,000	70,337
	<u>524,500</u>	<u>475,337</u>
Balance at end of year.....	<u>\$2,765,540</u>	<u>\$2,756,748</u>



# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

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## AUDITORS' REPORT TO THE SHAREHOLDERS

British American Bank Note Company Limited,  
Ottawa, Ontario.

We have examined the balance sheet of British American Bank Note Company Limited as at December 31, 1964 and the related statements of earnings and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company, the accompanying balance sheet and related statements of earnings and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at December 31, 1964 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS, BAILEY & SMART.

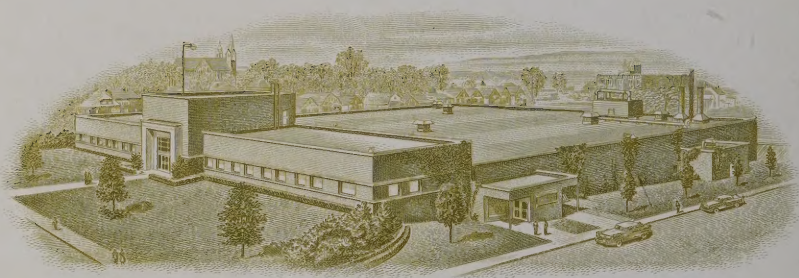
Chartered Accountants.

Ottawa, Ontario, February 4, 1965.









HEAD OFFICE AND PLANT  
OTTAWA

BRANCH OFFICES

MONTREAL

TORONTO